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Attorney General Becerra Announces Settlement with Manufacturer Workrite Ergonomics for Overcharging Public Agencies

Press Release / Attorney General Becerra Announces Settlement with Manufactu...

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SACRAMENTO – California Attorney General Xavier Becerra announced a settlement with Workrite Ergonomics (Workrite) today, resolving allegations that the manufacturer of ergonomic office equipment overcharged state agencies in the government contracting process. For approximately eight years ending in 2016, Workrite allegedly concealed information and failed to provide discounts owed to public agencies under the procurement process.

“Californians trust their government to vigilantly conserve public dollars,” **said Attorney General Becerra**. “Cheating government is cheating the people. At the California Department of Justice, we will continue working to bring perpetrators like these to justice.”

Attorney General Becerra alleges that Workrite failed to give governmental purchasers the discounted prices they were entitled to under a California Multiple Award Schedule (CMAS) contract. Under the CMAS, a company can shorten the procurement process after certifying that it was already awarded a similar, competitively-assessed contract with a different government agency. The CMAS process requires prospective contractors to provide the General Services Administration (GSA) – the federal agency that solicits, negotiates, and awards procurements to federal agencies – with extensive information about the company’s commercial sales practices, including current price and discount information for all of their customers. The prospective contractor must also certify that the price offered is equal or better than the best price, including discounts, offered to any other customer purchasing the same item.

A whistleblower who formerly worked at the company accused Workrite of:

- Omitting current, accurate or complete information to the GSA and falsely stating the information was accurate;
- Failing to reduce prices as required by the contract;
- Overcharging the government and failing to return overpayments.

The whistleblower also alleged that every purchase made by California agencies was improper under the False Claims Act due to the fact that Workrite falsely certified its contract terms with the GSA. Under the terms of the settlement, California will receive approximately \$488,000.

This settlement continues Attorney General Becerra's commitment to stopping false claims by companies that do business with government. In October, Attorney General Becerra announced a \$4 million settlement with VMware, resolving allegations that the software company violated the California False Claims Act by making false statements and overcharging the State and local governments for information technology software. In September, Attorney General Becerra announced a \$7 million settlement involving multinational bank and financial services company HSBC for overcharging the California Public Employees Retirement System (CalPERS) in foreign currency trading. And in 2019, Attorney General Becerra announced a \$150 million settlement against Morgan Stanley, an American multinational investment bank, for misleading investors including CalPERS and the California State Teachers Retirement System (CalSTRS).

A copy of the settlement is available [here](#).

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